

SENATE BILL 773
By Graves

AN ACT to amend Tennessee Code Annotated, Title 3 and Title 56, relative to health insurance mandates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, is amended by adding a new, appropriately designated section, as follows:

Section ____.

(a) As used in this section:

(1) "Mandated health benefit" means a benefit or coverage that is required by law to be offered or provided by a health insurance issuer and includes: coverage for specific health care services, treatments or practices; or the offering of specific health care services, treatments or practices.

(2) "Health insurance issuer" means any entity that provides health insurance coverage in this state.

(b) There is established the task force to review state and federal health insurance mandates in Tennessee, hereafter referred to as the task force. The task force shall consist of eleven (11) members selected as follows:

(1) The commissioner of commerce and insurance, or the commissioner's designee;

(2) The chairman of the senate commerce, labor and agriculture committee, or the chairman's designee;

(3) The chairman of the house commerce committee, or the chairman's designee;

(4) The director of the division of insurance administration, or the director's designee;

(5) Two (2) members to be appointed by the governor, one (1) of whom must be a representative of a company that employs ten (10) or fewer employees and one (1) of whom must be a member of the general public who is not associated with health care providers;

(6) Five (5) additional members selected by unanimous agreement of the members appointed pursuant to items (1) through (4). These five (5) members must have demonstrated expertise in health insurance and managed care issues:

(A) Two (2) must be representatives of the health insurance industry, at least one (1) of whom is a representative of a domestic health insurance issuer;

(B) Two (2) must be representatives of the business community, at least one (1) of whom must be a representative of a company that employs fewer than fifty (50) employees; and

(C) One (1) must be a representative of the hospital industry.

(c) Vacancies in the task force shall be filled by appointment or selection, as applicable, in the manner of the original appointment or selection. No

business other than that necessary to establish the task force and select the additional members may be conducted until all eleven (11) members have been appointed or selected and qualified. Staff and administrative support for the task force shall be provided by the department of commerce and insurance and the state employees' health plan in the manner the task force determines appropriate.

(d) The task force may hold public hearings, conduct research, receive the testimony of experts, review, for purposes of comparison, the mandated health benefits upon health insurance issuers in other states and jurisdictions and the effects of such mandates and take other actions it determines appropriate for the completion of its assigned task. At a minimum, the task force shall inquire into and make recommendations with respect to:

(1) Each and every state and federally mandated health benefit placed upon health insurance issuers in Tennessee since 1990; and

(2) The impact of each such mandated health benefit on the premiums for health insurance coverage in Tennessee.

(e)

(1) The task force shall make a final report with recommendations to the general assembly no later than January 1, 2005. Upon submission of the final report and recommendations, the task force is dissolved. Until such time as the task force makes its final report, proposed state mandated health benefits beyond those required as of January 1, 2003, shall be reviewed by the task force as soon as practical after the legislation is filed for introduction. The task force shall attach an impact statement on the premiums for health insurance coverage in Tennessee

which shall be available for the appropriate standing committee when considering such proposal.

(2) Under no circumstances is a mandate to be imposed prior to the first day of the second year after the effective date of this act.

(f) Nothing in this section shall be construed to prohibit any health insurance issuer from voluntarily expanding coverage nor to prohibit any individual or employer from electing to expand coverage on any health maintenance organization contract or individual or group health insurance policy or contract covering the individual, the employer or employees of the employer, as applicable.

(g) Nothing in this section shall be construed to prohibit amendments to comport with federal law.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.